

Situation and Outlook for Orange Juice

World orange juice production in selected major-producing countries in marketing year (MY) 2005/06 is estimated at 2.4 million metric tons (65 degrees brix), up 4 percent from the 2004/05 level. Brazil production of orange juice is forecast at 1.4 million tons, up 9 percent from the previous year.

GLOBAL PRODUCTION

World orange juice production during MY 2005/06 is forecast at 2.4 million tons (65 degrees brix), up 4 percent from the MY 2004/05 level. Brazil's production during in 2005/06 is forecast at 1.4 million tons, and accounts for a large part of the increase year to year. U.S. production is set to recover somewhat from last year's hurricane-reduced level. Although this year's crop suffered some damage from Hurricane Wilma, Valencia production in Florida is forecast up nearly 11 percent from the 2004/05 level. Together, Brazil and the United States comprise about 89 percent of world output for selected major producers.

Brazil

Brazil's production of orange juice during 2005/06 (Brazil's MY July 2006-July 2007) is estimated at 1.4 million tons (65 degrees brix), up 9 percent from the 2004/05 level. Since Brazil's fresh-crop orange exports are limited because of disease, any increase or decrease in orange supplies results in a fluctuation of orange juice production.

United States

U.S. production of orange juice during MY 2005/06 is estimated at approximately 709,000 tons, up 2 percent from the previous year, but still down substantially—32 percent—from the high level of 2003/04. In a normal year, around 95 percent of the orange crop in Florida is processed for orange juice. Production of oranges in 2005/06 in Florida had been expected to rise about 27 percent from the previous year, before Hurricane Wilma hit the region.

GLOBAL TRADE

Exports of orange juice during 2005/06 from the major producing countries are forecast at 1.65 million tons (65 degrees brix), down about 1 percent from last year. Although exports from Brazil are forecast to be up about 2 percent, exports from other countries, like the United States, Mexico, and Spain will offset some of that increase.

Brazil

Brazil's exports of orange juice in 2005/06 (MY July 2006-June 2007) are forecast at 1.4 million tons, up 32,000 tons from a year ago. Ending stocks are forecast to return to a more normal level in 2005/06. Domestic consumption of orange juice is relatively low given the level of production.

United States

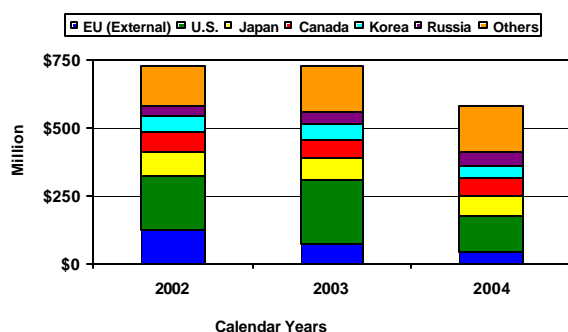
U.S. exports of orange juice during MY 2005/06 are estimated at approximately 75,000 tons, down from 84,725 tons in 2004/05. Although production of orange juice is forecast up in 2005/06, beginning stocks at the start of the marketing year will mean reduced availabilities. Exports are relatively small in comparison to the supply of orange juice, as the United States is a major consumer of orange juice. Canada is the largest-single market for the United States, accounting for nearly 54 percent of the export total in 2004/05, followed by the EU accounting for 25 percent.

As a result of the imposition of antidumping duties on certain orange juice from Brazil, U.S. imports are forecast to decline about 12 percent from the 2004/05 level. On February 21, 2006, the Department of Commerce amended the final determination of sales at less than fair value in the antidumping duty investigation of certain orange juice from Brazil. The revised weighted-average dumping margins now range from 12.46 to 60.29 percent. U.S. imports of orange juice from Brazil accounted for about 65 percent of the U.S. total in 2004/05. Mexico was a distant second with 15 percent of the total.

Imports

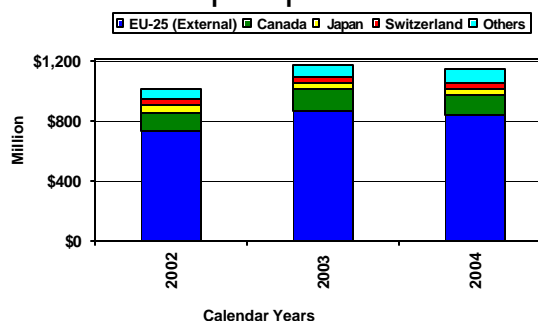
The Global Trade Atlas reports imports for orange juice. However, since different countries report in varying units of measure, the total value is being used as an indicator of the top countries.

FCOJ: Top Importers



Source: Global Trade Atlas

Not Frozen Orange Juice:
Top Importers



Source: Global Trade Atlas

CONSUMPTION AND MARKETING

United States

U.S. consumption of orange juice in MY 2005/06 is estimated at 962,000 tons, continuing a downward trend. According to reports, retail prices for orange juice are up about 3 percent from the same time last season.

Brazil

Brazil's consumption of orange juice is estimated at only 21,000 tons during 2005/06 (MY July 2006-June 2007), representing less than 2 percent of production. Brazilian consumers are more likely to squeeze fresh oranges for their juice needs, rather than purchase orange juice.

China

China's consumption of orange juice in MY 2005/06 is seen stagnating due to the rising cost of imported juice. Brazil is the primary supplier of orange juice to China. According to reports, the price of Brazilian juice is up 50 percent over the previous year. The increased cost of orange juice may make it economically feasible for juicing companies to source domestic oranges for juicing. However, large-scale orange juice production is unlikely in the near term as most oranges produced in China are varieties best for fresh consumption.

The Attaché Report search engine contains reports for orange juice for Egypt, Israel, Japan, Korea, Morocco, Spain, Turkey, Greece, Italy, Mexico, China, Germany, Australia, Brazil, Argentina, Costa Rica, and South Africa. For more information on production and trade, contact Debra A. Pumphrey at 202-720-8899. Also, please visit the citrus commodity page: <http://www.fas.usda.gov/http/horticulture/citrus.html> for the latest information. For more information on marketing issues, contact Sonia Jimenez at 202-720-0898. Data for these countries on orange juice can be extracted from the USDA production, supply, and distribution database located at www.fas.usda.gov/psd